CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: November 16, 2022

PREPARED BY:
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APPROVED BY: City Manager

INTRODUCE AN ORDINANCE REQUIRING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IN NEW CONSTRUCTION

RECOMMENDATION(S)

1. Waive the first and second reading of the ordinance; and
2. Introduce the ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities
Protecting the Environment
Maintaining and Enhancing Infrastructure
Advancing Regional Initiatives

Guiding Documents
Climate Action Plan

REPORT NARRATIVE:

Background

The purpose of this agenda item is to introduce an ordinance requiring installation of electric vehicle (EV) charging infrastructure as part of all new development projects and retrofit projects in the City of Morgan Hill (see Attachment 1). In December 2021, the City adopted the Morgan Hill Climate Action Plan (CAP) which includes a main goal of reducing Morgan Hill's net CO2 emissions in the building and transportation sectors to thirty-five percent (35%) below the 2020 baseline level by 2030 and one-hundred percent (100%) below the 2020 baseline level by 2045. Additionally, the CAP has three sub-goals, and associated action items related to ordinance adoptions, directly related to vehicle electrification to reduce fossil fuel use in our community. The proposed EV Charging Infrastructure Ordinance is the first step toward meeting the main CAP goal and the three vehicle electrification CAP sub-goals, which are listed here:

1) Expand electric vehicle charging station access for existing multifamily complexes by 30% by the year 2025 and 100% by 2035.
2) Require newly-constructed residential buildings to have the necessary capacity to

facilitate EV charging.
3) Install EV charging stations for at least 10% of available parking spaces in new non-residential projects.

In addition to CAP implementation, the proposed EV Charging Infrastructure Ordinance will begin to prepare the Morgan Hill community for the impact of the Advanced Clean Cars Rule II which was approved by the California Air Resources Board on August 25, 2022. This regulation establishes a year-by-year roadmap so that by 2035, 100% of new cars and light trucks sold in California will be zero-emission vehicles. It is anticipated that over the next fifteen years, electric vehicle uptake will increase as new electric vehicle prices fall and used electric vehicles become more available. Nearly 12.9 million charge ports will be needed to support the projected 26.4 million electric vehicles that will be on U.S. roads by 2030.

Proposed EV Charging Infrastructure Ordinance

The Table below summarizes the requirements proposed by the EV Charging Infrastructure Ordinance. A document is attached to this Staff Report which illustrates EV Code Terminology including EV Ready, EV Capable, EVCS, Level 1, and Level 2.

EV Charging Infrastructure Requirements for New Development and for Projects at Retrofit

Property Type	EV Infrastructure Required for New Development	EV Infrastructure Required at Retrofit
Units with a Private Dedicated Garage	One parking space provided in the garages shall be a Level 2 EV Ready space. If a second parking space is provided, it shall be provided with a Level 1 EV Ready space.	Parking additions to new or expanded garages or electrical panel upgrades must have reserved breaker spaces to accommodate parking per the same requirements of new construction projects.
Multifamily Residential (>3 units)	Forty percent (40%) Electric Vehicle Charging Station (EVCS) with Level 2 EV Ready. Sixty percent (60%) Level 1 EV Ready.	When a Building Permit is required and the valuation exceeds $1,000,000 then either thirty percent (30%) of the total number of parking spaces shall be upgraded to EVCS or ten percent (10%) of the cost of the retrofit shall be spent toward meeting that goal, whichever costs

		less.
Office Buildings	Twenty percent (20%) EVCS with Level 2 Ready. Thirty percent (30%) Level 2 EV capable.	When a Building Permit is required and the valuation exceeds $1,000,000 then either ten percent (10%) percent of spaces shall be upgraded to EVCS or ten percent (10%) of the cost of the retrofit shall be spent toward meeting that goal, whichever costs less.
Hotels and Motels	Ten percent (10%) EVCS with Level 2 EV Ready. Twenty-five percent (25%) Low Power Level 2 EV Ready. Ten percent (10%) Level 2 EV Capable.	
All other Nonresidential Occupancies	Ten percent (10%) EVCS with Level 2 EV Ready. Ten percent (10%) of parking spaces shall be Level 2 EV Capable.	

The proposed EV Charging Infrastructure Ordinance is a starting point to meeting City goals for EV charging infrastructure. It is expected that as the City progresses toward its CAP goals and as electric vehicles become widespread in California, the ordinance will be updated to include:

1) Increases to the percentages of EV charging spaces required for new and retrofit projects at multifamily properties. The currently proposed ordinance does not immediately propose the CAP goal of 100 percent (100%) charging infrastructure installation for new and retrofit projects at multifamily properties (see table above), but rather it proposes a starting percentage. The intent is that as electric vehicles are phased in, the City's EV charging infrastructure requirements will be increased through updates to the EV Charging Infrastructure Ordinance until CAP goals are achieved.

2) Addition of charging infrastructure requirements for existing multifamily properties at resale. Adopting an ordinance with vehicle charging infrastructure requirements for existing multifamily properties at resale was included as a CAP action-item for multifamily properties. However, this goal presents challenges since there is not currently a mechanism by which the City is looped into resale of multifamily complexes. This makes implementation and enforcement of this CAP goal difficult. Morgan Hill staff is seeking a solution to this challenge through coordination with other Silicon Valley Clean Energy (SVCE) agencies, and will be joining a Work Group on the topic in early 2023.

3) Addition of a requirement that all existing multifamily complexes install EV chargers for at least 30% of parking spaces by 2030. While the currently proposed requirements for EV charging infrastructure on new properties and at retrofit are a start to meeting this goal, the CAP specifies a date for all multifamily complexes to achieve the 30% milestone regardless of resale or retrofit status. Implementation of this goal will require a focused program to engage with multifamily property owners. The ordinance will be updated to include this item once resources become available to implement.

COMMUNITY ENGAGEMENT:
Consult

The proposed EV Charging Infrastructure Ordinance is consistent with goals and actions approved in the City's adopted CAP. Development of the CAP goals and action items involved community outreach and engagement. The City held a Community Meeting on the CAP as a kick-off to the outreach effort. Community members were invited to participate in a Working Group. Once formed, the Working Group had substantial involvement in developing the CAP over several months. In addition, a Town Hall was dedicated to the CAP.

ALTERNATIVE ACTIONS:
The Council could decline to adopt the ordinance which would delay progress toward achievement of CAP goals and action items.

The Council could vote to approve a modified version of the currently proposed ordinance that only includes elements which were explicitly identified in the CAP. The currently proposed ordinance includes CAP items as well as items that were recommended as a reach by Silicon Valley Clean Energy (SVCE). All of the items in the currently proposed ordinance support the overall intent of the CAP which has a main goal of reducing Morgan Hill's net CO_2 emissions in the building and transportation sectors to thirty-five percent (35%) below the 2020 baseline level by 2030 and one-hundred percent (100%) below the 2020 baseline level by 2045. Should the Council choose to eliminate the recommended SVCE reach items and only implement CAP goals as part of this ordinance, then the EV charger requirements for new development and for projects at retrofit would be revised, as shown in the table below.

EV Charger Requirements for New Development and for Projects at Retrofit		
Property Type	**EV Chargers Required for New Development**	**EV Chargers Required at Retrofit**
Units with a Private Dedicated Garage	One parking space provided in the garages shall be a Level 2 EV	~~Parking additions to new or expanded garages or electrical~~

	Ready space. ~~If a second parking space is provided, it shall be provided with a Level 1 EV Ready space.~~	~~panel upgrades must have reserved breaker spaces to accommodate parking per the same requirements of new construction projects.~~
Multifamily Residential (>3 units)	Forty percent (40%) Electric Vehicle Charging Station (EVCS) with Level 2 EV Ready. ~~Sixty percent (60%) Level 1 EV Ready.~~	When a Building Permit is required and the valuation exceeds $1,000,000 then either thirty percent (30%) of the total number of parking spaces shall be upgraded to EVCS or ten percent (10%) of the cost of the retrofit shall be spent toward meeting that goal, whichever costs less.
~~Office Buildings~~	~~Twenty percent (20%) EVCS with Level 2 Ready.~~ ~~Thirty percent (30%) Level 2 EV capable.~~	~~When a Building Permit is required and the valuation exceeds $1,000,000 then either ten percent (10%) percent of spaces shall be upgraded to EVCS or ten percent (10%) of the cost of the retrofit shall be spent toward meeting that goal, whichever costs less.~~
~~Hotels and Motels~~	~~Ten percent (10%) EVCS with Level 2 EV Ready.~~ ~~Twenty-five percent (25%) Low Power Level 2 EV Ready.~~ ~~Ten percent (10%) Level 2 EV Capable.~~	
All other Nonresidential Occupancies	Ten percent (10%) EVCS with Level 2 EV Ready. ~~Ten percent (10%) of parking spaces shall be Level 2 EV Capable.~~	

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
The Climate Emergency Resolution, adopted by the City Council on May 26, 2021, stated the following: the City of Morgan Hill commits to initiate the creation of a Highly-Focused Climate Action Plan in 2021, with strong greenhouse gas reduction targets.

The Morgan Hill CAP was adopted in December 2021 and focused on greenhouse gas emission reductions through the building and transportation sectors.

FISCAL AND RESOURCE IMPACT:
Fiscal impacts will be felt by residents and businesses doing retrofit projects, and by developers proposing new projects. It is not anticipated that the proposed EV Charging Infrastructure Ordinance will result in direct costs to the City. Since affordable housing projects are often difficult to finance, SVCE has established a special grant program that subsidizes the installation of electric vehicle charging in new low and very-low income developments built through 2025.

From an operations perspective, the Development Services Department will need to ensure the required number and type of EV charging spaces are provided for each project, and Building Department staff will need to ensure proper installation of the required chargers. The Environmental Services Division will support the Development Services Department in implementation and on review of specific projects as needed. It is anticipated that current staff can incorporate these activities within their existing work plan.

By bringing this ordinance forth to a vote prior to the end of the calendar year, the City will be the recipient of a $10,000 grant from Silicon Valley Clean Energy (SVCE).

CEQA (California Environmental Quality Act):
Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15308 of the CEQA Guidelines (Actions by Regulatory Agencies for Protection of the Environment). The ordinance being adopted will implement requirements for installation of EV charging infrastructure to protect the environment from the impacts of climate change.